

A92 REPORT ON SUPPLY CHAIN POLICY IMPLEMENTATION FOR THE YEAR ENDING 30 JUNE 2024

Report of the Executive Mmayor: 2024-07-17

1. PURPOSE:

1.1. The purpose of the report is to inform Council of the Supply Chain Management policy implementation for the year ending 30 June 2024.

2. BACKGROUND

2.1. Lekwa Local Municipality Supply Chain Policy prescribed per clause 6 (2) that, “the Accounting Officer must, within ten (10) business days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality”

3. DISCUSSION

3.1. Supply chain Management activities

For the quarter ended June 2024 , the municipality performed the SCM activities as summarized below:

APRIL 2024 – JUNE 2024 (SCM 1)

ORDERS UNDER R 30 000	68
VALUE OF ORDERS UNDER R 30 000	699 454.53
ORDERS BETWEEN R 30 000 AND R 199 999.99	46
VALUE OF ORDERS BETWEEN R 30 000 AND R 199 999.99	5 601 481.08
ORDERS ABOVE R 200 000.00	33
VALUE OF ORDERS ABOVE R 200 000.00	15 219 661.33
ORDER DELETED	26
VALUE OF DELETED ORDERS	3 481 735.78
TOTAL NUMBER OF ORDERS (ex deleted)	121
VALUE OF ORDERS (ex deleted)	18 038 861.16

3.2. Deviations from the SCM Policy for the Quarter ended June 2024 (SCM 2)

Paragraph 35 (2) of the Supply Chain Management policy stipulate that “*the Accounting Officer must record the reasons for any deviations in terms of sub-clauses (1)(a) and (b) of this policy and report them to the next Council Meeting and include as a note to the annual financial statements*”

Below is a list of ALL strip and quote repairs done to vehicles and equipment for the period 01 July 2023 to 30 June 2024

ORDER NUMBER	DATE	SUPPLIER	AMOUNT	DESCRIPTION	REASON
43415	21/06/2024	ERMELO TRUCK & TRACTOR CENTRE	101,166.67	SERVICE AND REPAIR UD TRUCK KFJ847MP JOB 116186	AGENT
43383	10/06/2024	ERMELO TRUCK & TRACTOR CENTRE	174,350.37	SERVICE AND REPAIR UD TRUCK JSX731MP EST 116264	AGENT

43382	10/06/2024	ERMELO TRUCK & TRACTOR CENTRE	41,732.35	SERVICE AND REPAIR UD TRUCK JSX708MP EST 116443	AGENT
43229	06/03/2024	ERMELO TRUCK & TRACTOR CENTRE	97,769.11	SERVICE AND REPAIR UD TRUCK JSX722MP PRO FORMA 115779	AGENT
43151	10/01/2024	ERMELO TRUCK & TRACTOR CENTRE	107,629.01	SERVICE AND REPAIR UD TRUCK JTT 263 MP	AGENT
43129	30/11/2023	ERMELO TRUCK & TRACTOR CENTRE	27,166.73	SERVICE AND REPAIR UD TRUCK KCV133MP PRO FORMA 115447	AGENT
43127	30/11/2023	ERMELO TRUCK & TRACTOR CENTRE	16,539.71	SERVICE AND REPAIR UD TRUCK KFJ806MP ENQ 115538	AGENT
43087	30/10/2023	ERMELO TRUCK & TRACTOR CENTRE	108,455.87	SERVICE AND REPAIR UD TRUCK KFJ847MP PRO FORMA 115460	AGENT
43028	26/09/2023	ERMELO TRUCK & TRACTOR CENTRE	72,224.08	SERVICE AND REPAIR UD TRUCK KFJ847MP PRO 115460	AGENT
43020	21/09/2023	ERMELO TRUCK & TRACTOR CENTRE	36,423.79	SERVICE AND REPAIR UD TRUCK KFJ806MP NO 120747,127034	AGENT
43002	05/09/2023	ERMELO TRUCK & TRACTOR CENTRE	10,681.20	SERVICE AND REPAIR UD TRUCK KRB311MP QUOTE 21062023	AGENT
42983	31/08/2023	ERMELO TRUCK & TRACTOR CENTRE	204,346.04	SERVICE AND REPAIR UD DYP893MP PRO 115209	AGENT
42980	31/08/2023	ERMELO TRUCK & TRACTOR CENTRE	13,192.87	SERVICE AND REPAIR JTT258MP JOB 119803	AGENT
42977	31/08/2023	ERMELO TRUCK & TRACTOR CENTRE	28,713.73	SERVICE AND REPAIR KFJ806MP JOB 119804	AGENT
ORDER NUMBER	DATE	SUPPLIER	AMOUNT	DESCRIPTION	REASON
42974	31/08/2023	ERMELO TRUCK & TRACTOR CENTRE	29,349.83	SERVICE AND REPAIR UD TRUCK JSX708MP PRO FORMA 115227	AGENT
42842	11/07/2023	Protelly & Quantum	7,705.70	SERVICE AND REPAIR FIRE FIGHTER QUOTE 8966	STRIP AND QUOTE (AGENT)
42841	11/07/2023	Protelly & Quantum	4,648.00	SERVICE AND REPAIR GENERATOR QUOTE 8986	STRIP AND QUOTE (AGENT)
42840	11/07/2023	Protelly & Quantum	11,913.22	SERVICE AND REPAIR FIRE FIGHTER QUOTE 8985	STRIP AND QUOTE (AGENT)
42839	11/07/2023	Protelly & Quantum	5,969.60	SERVICE AND REPAIR FS280 QUOTE 10369	STRIP AND QUOTE (AGENT)
43130	30/11/2023	Tractor Requisites	7,614.98	SERVICE AND REPAIR KUDU LAWNMOWER Q29073	STRIP AND QUOTE (AGENT)
43037	29/09/2023	Tractor Requisites	8,016.40	SERVICE AND REPAIR STIHL FS280 QUOTE Q28853	STRIP AND QUOTE (AGENT)
43263	20/03/2024	BELL EQUIPMENT SALES SOUTH AFR	14,326.82	SERVICE AND REPAIR BELL DUMP TRUCK 2500 HR SERVICE DOC 300160191	AGENT

43128	30/11/2023	BELL EQUIPMENT SALES SOUTH AFR	85,243.12	SERVICE AND REPAIR BELL JCB DOC 3000154858 ,3000154862	AGENT
43112	21/11/2023	BELL EQUIPMENT SALES SOUTH AFR	12,916.89	SERVICE JCB DOC 3000155873	AGENT
43066	16/10/2023	BELL EQUIPMENT SALES SOUTH AFR	47,440.11	SERVICE AND REPAIR JCB JTT253MP DOC 3000151245	AGENT
43018	21/09/2023	BELL EQUIPMENT SALES SOUTH AFR	16,120.70	SERVICE AND REPAIR BELL ADT DOC 3000153220	AGENT
43003	05/09/2023	BELL EQUIPMENT SALES SOUTH AFR	9,982.00	CARRY POUT DIAGNOSTIC ON BELL DUMO TRUCK DOC 3000152186	AGENT
42935	18/08/2023	BELL EQUIPMENT SALES SOUTH AFR	79,559.09	SERVICE AND REPAIR JCB BACKHOE DOC 300148305	AGENT
42870	14/07/2023	BELL EQUIPMENT SALES SOUTH AFR	16,626.24	SERVICE AND REPAIR JUC DOC 3000147920	AGENT
43235	06/03/2024	Autozone Standerton	19,548.21	STRIP AND RECON TURBO JSX731MP PQ13134	STRIP AND QUOTE
42936	18/08/2023	BARLOWS EQUIPMENT CO (ISANDO)	124,971.40	REPLACE BUCKET TIPS CAT 950L WORK ORDER NO 2100348418	AGENT
ORDER NUMBER	DATE	SUPPLIER	AMOUNT	DESCRIPTION	REASON
42976	31/08/2023	TRUVELO AFRICA ELECTRONICS DIV	6,154.80	CALIBRATION OF PROLASWER QUOTE 3859	AGENT
42892	25/07/2023	ESPRIMI INVESTMENTS AND PROJEC	3,507.50	SERVICE AND REPAIR AIR CONS COUNCIL CHAMBER	STRIP AND QUOTE
43110	21/11/2023	Pinnacle Auto	4,910.50	1 X MICHELLIN 245/40R19 WIP NO 61015	AGENT
43264	20/03/2024	HIAB SA	41,178.57	SERVICE AND REPAIR LIFT ON TRUCK KMM253MP	AGENT
43028	11/07/2023	ERMELO TRUCK & TRACTOR CENTRE	249 085,84	SERVICE AND REPAIR UD TRUCK KRB311MP QUOTE 21062023	STRIP AND QUOTE (AGENT)
43127	29/09/2023	ERMELO TRUCK & TRACTOR CENTRE	1 616.38	SERVICE AND REPAIR STIHL FS280 QUOTE Q28853	STRIP AND QUOTE (AGENT)
43087	24/06/2024	ERMELO TRUCK & TRACTOR CENTRE	4 626.96	SERVICE AND REPAIR GENERATOR QUOTE 8986	STRIP AND QUOTE (AGENT)
43028	07/06/2024	ERMELO TRUCK & TRACTOR CENTRE	219.88	SERVICE AND REPAIR GENERATOR QUOTE 8986	STRIP AND QUOTE (AGENT)
43020	28/05/2024	ERMELO TRUCK & TRACTOR CENTRE	3 751.83	SERVICE AND REPAIR GENERATOR QUOTE 8986	STRIP AND QUOTE (AGENT)
43002	10/05/2024	ERMELO TRUCK & TRACTOR CENTRE	12 714.82	SERVICE AND REPAIR GENERATOR QUOTE 8986	STRIP AND QUOTE (AGENT)
42983	12/04/2024	ERMELO TRUCK & TRACTOR CENTRE	928.10	SERVICE AND REPAIR GENERATOR QUOTE 8986	STRIP AND QUOTE (AGENT)

42980	27/03/2024	ERMELO TRUCK & TRACTOR CENTRE	1 799.52	SERVICE AND REPAIR GENERATOR QUOTE 8986	STRIP AND QUOTE (AGENT)
42870	13/02/2024	ERMELO TRUCK & TRACTOR CENTRE	8 994.34	SERVICE AND REPAIR GENERATOR QUOTE 8986	STRIP AND QUOTE (AGENT)
43235	13/02/2024	ERMELO TRUCK & TRACTOR CENTRE	1 998.24	SERVICE AND REPAIR GENERATOR QUOTE 8986	STRIP AND QUOTE (AGENT)
43112	20/12/2023	ERMELO TRUCK & TRACTOR CENTRE	4 574.51	SERVICE AND REPAIR GENERATOR QUOTE 8986	STRIP AND QUOTE (AGENT)
43066	29/11/2023	ERMELO TRUCK & TRACTOR CENTRE	6 153.11	SERVICE AND REPAIR GENERATOR QUOTE 8986	STRIP AND QUOTE (AGENT)
43018	29/11/2023	ERMELO TRUCK & TRACTOR CENTRE	4 468.19	SERVICE AND REPAIR GENERATOR QUOTE 8986	STRIP AND QUOTE (AGENT)
43037	29/09/2023	ERMELO TRUCK & TRACTOR CENTRE	4 864.40	SERVICE AND REPAIR GENERATOR QUOTE 8986	STRIP AND QUOTE (AGENT)
43235	27/03/2024	AUTOZONE STANDERTON	55 146.04	STRIP AND RECON TURBO JSX731MP PQ13134	STRIP AND QUOTE (AGENT)
43112	13/02/2024	AUTOZONE STANDERTON	44 576.13	STRIP AND RECON TURBO JSX731MP PQ13135	STRIP AND QUOTE (AGENT)
43066	29/09/2023	AUTOZONE STANDERTON	16 159.87	STRIP AND RECON TURBO JSX731MP PQ13136	STRIP AND QUOTE (AGENT)
43003	01/08/2023	BELL EQUIPMENT SALES SOUTH AFRICA	12 183.84	SERVICE AND REPAIR BELL ADT DOC 3000153220	
TOTAL			2 003 891.68		

3.3. AWARDS MADE THROUGH THE COMPETITIVE BIDDING PROCESS FOR THE QUARTER ENDING JUNE 2024

Project Number	Bidder	Project Description	Contract Duration	Amount Awarded	Contract start	Contract end
DTS 04-2023-2024 (Panel)	A.M. Consulting Engineers (PTY) LTD	Appointment of a contractor for Design, construction supervision and project administration and closeout for rehabilitation of 1KM of VRY Street in Lekwa Local Municipality	12 months	R1 253 772.55	2024/04/15	2025/03/14
BTO 05-2023-24	XPERO Trading (PTY) LTD	Appointment of a consultant for design, construction supervision and project administration and closeout for construction of	36 months	R1 286 850.00	01/06/2024	31/05/2027

		A1.5. Hectare Thuthukani Cemetry Site in Lekwa Local Municipality for the period of 36 months				
BTO02/2023/2024	Inkazimulo Consulting (PTY) LTD	Appointment letter for Preparation of Annual Financial Statements for a period 36 months for Lekwa Local Municipality	36 months	R8 430 000.00	01/06/2024	31/05/2027
BTO 03/2023/2024	West Rand Consulting (PTY) LTD	Appointment letter for preparation & updating of GRAP Compliant Assets Register for a period of 36 months for Lekwa Local Municipality	36 months	R8 215 000.00	01/06/2024	31/05/2027

3.4. BBEE PERFORMANCE ASSESSMENT (APRIL 2024 TO JUNE 2024)

Local Suppliers	55
Rand value to local suppliers	R2 958 522.06
Percentage of local suppliers used	45.45%
Percentage of purchases to local suppliers	16.40%
Level 1 BBEE suppliers	98
Rand value to level 1 suppliers	15,129,682.21
Percentage of level 1 suppliers used	80.99%
Percentage of purchases to lvl 1 suppliers	83.87%

3.5. LOGISTICS/STORES (SCM 3)

The quarterly stock take was conducted on 31/03/2024.

	4th quarter
STOCK ON HAND BEFORE STOCK TAKING	R 4,603,756.69
SURPLUS RECORDED	-
SHORTAGE	- R 141.20
NET SURPLUS/SHORTAGE	- R 141.20
STOCK AFTER ADJUSTMENT	R 4,603,615.49
% SURPLUS/SHORTAGE FOR QUARTER	0.003%
STOCK VALUE AFTER ADJUSTMENT FROM PREVIOUS QUARTER	R 4,300,702.96
INCREASE/(DECREASE) IN STOCK VALUE	R 302,912.53
% INCREASE/(DECREASE) IN STOCK FOR THE QUARTER	7%

3.6. OTHER MATTERS

3.6.1. No service provider was reported to National Treasury for restricted listing due misconduct in terms of the Supply Chain Regulations.

RECOMMENDATIONS BY THE EXECUTIVE MAYOR

- (1) That the report of the Executive Mayor on the implementation of the Supply Chain Management Policy for the quarter ending June 2024, BE NOTED.
- (2) That the Procurement report for goods and services BE NOTED.
- (3) That the deviation procurement report for goods and services from 01 July 2023 to 30 June 2024 amounting to R 2 003 891.68 BE NOTED
- (4) That the stores stock BE NOTED as per the stock take
- (5) That the report BE PUBLISHED on the Lekwa Municipality's website as per SCM regulation 6(2).